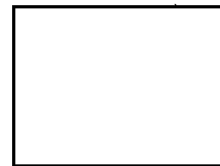


Approved For Release 2002/10/21 : CIA-RDP80B01676R000800050055-1  
MEMORANDUM FOR: Mr. Dulles:

For your information, I am attaching a  
copy of your 30 March letter to Mr. Schlesinger  
and the related correspondence.

NSC Referral Not Required - ERL,  
JMc, 9/20/02

ER



5 April 61

(DATE)

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STAT


THE WHITE HOUSE  
WASHINGTON

April 3, 1961

Dear Mr. Dulles:

I need hardly say how delighted I  
am to have your letter of March 30.

Sincerely yours,

  
Arthur Schlesinger, jr.  
Special Assistant  
to the President

The Honorable Allen W. Dulles  
Director  
Central Intelligence Agency  
Washington 25, D. C.

64-2108/a

1-15/6

80 MAR 1961

Mr. Arthur Schlesinger, Jr.  
The White House  
Washington, D.C.

Dear Mr. Schlesinger:

Thank you for sending us a copy of your extremely interesting report to the President regarding Latin America. I emphatically agree that the basic problem is the need to modernize Latin American society, making the underprivileged masses a participating and contributing element for constructive purposes. No longer can we act on the assumption that the long submerged masses of Latin America will remain a passive force outside the effective population. Castro has demonstrated that traditionally lethargic rural masses can be awakened and forged into a politically effective force.

Your report to the President contains many suggestions for actions to help solve the social, economic, and political problems of the area which I find particularly stimulating.

Sincerely,

SIGNED

Allen W. Dulles  
Director

*Report not forwarded with this  
proposed reply for signature.  
DDP had pulled it & will hand carry  
it up to D.C.  
m2 3/30*

Signature Recommended:

Deputy Director (Plans)

DDP/WH: [ ] ss. (23 March 1961)

Originator

Distribution:

Orig & 1: Addressee

2: DCI

2: DDP

1: CWH

1: WH/CA

*(T-ER) of basic memo*

Executive Registry  
11-2108/1

### Summary of Mr. Schlesinger's Report on Latin America

Mr. Schlesinger interprets ferment in Latin America in terms of the submerged masses seeking participation in the economic and political life of their respective countries. He sees modernization of society, through a peaceful middle-class revolution, as the basic need of the area, with emphasis on industrialization. A "workers-and-peasants" revolution is seen as the alternative.

Because of a population explosion in Latin America and Communist/Castro exploitation of wide discontent, Mr. Schlesinger believes the U.S. must take steps to hasten the middle-class revolution. He proposes actions in three main categories:

- (a) Political (rejection of dictatorships, and support of those leaders such as Betancourt who are leading middle-class revolutions in their countries);
- (b) Economic (emphasis on development loans and stimulation of private investment; rejection of previous emphasis on financial stabilization; tax reforms; and agrarian reform);
- (c) Social (education, public health, transportation).

Mr. Schlesinger sees three major obstacles to the middle-class revolution:

- (a) The landed oligarchy which seeks to perpetuate the old order;
- (b) Castro and the Communists;
- (c) Military burdens on national budgets.

Mr. Schlesinger feels Castro's prestige has declined sharply since the meeting of Foreign Ministers in Costa Rica. He believes that action against Castro would provoke riots and demonstrations in the post-Lumumba manner (especially by students), but he does not feel that the reaction would convulse the hemisphere if actions were taken in the name of the authentic 26th of July revolution.

Appendix A contains his impressions from interviews with President Frondizi of Argentina, Quadros of Brazil, Paz Estenssoro of Bolivia, and Betancourt of Venezuela, plus Haya de la Torre, leader of the APRA party in Peru.

*ER 61-2108*

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THE WHITE HOUSE  
WASHINGTON

March 13, 1961

MEMORANDUM FOR

The Honorable Allen W. Dulles  
Mr. Richard Bissell

For your information.

  
Arthur Schlesinger, Jr.

Approved For Release 2002/10/21 : CIA-RDP80B01676R000800050055-1

March 10, 1961

DD/P...1437

**MEMORANDUM FOR THE PRESIDENT**

I submit herewith a report on my visit to Latin America in association with the Food for Peace Mission, 12 February-3 March 1961. In the course of this trip, I visited the following countries: Argentina, Brazil, Peru, Bolivia, Panama and Venezuela.

Part I (pages 1-2) of the report contains a summary of what seem to me the salient features of the long-run situation in Latin America.

Part II (pages 2-10) considers long-run directions for US policy.

Part III (pages 10-13) discusses the forces which, unless controlled, will probably defeat the best efforts even of wise US policy.

The Appendix (coming) contains reports of talks with President Frondizi of Argentina, President Quadros of Brazil, President Paz Estenssoro of Bolivia, President Betancourt of Venezuela and Haya de la Torre, the leader of the APRA party in Peru,

Arthur Schlesinger, jr.

23 March 1961

MEMORANDUM FOR: Director of Central Intelligence  
VIA : Deputy Director (Plans)  
SUBJECT : Proposed Reply to a Memorandum

Attached for the Director's signature is a proposed reply to a memorandum from Mr. Arthur Schlesinger, Jr. regarding his visit to Latin America.

[Redacted Signature Box]

J. C. KING  
Chief  
Western Hemisphere Division

STAT

1 Attachment

cc: DDCI